

 <p align="center"><b>Financial Assistance Award</b></p> <p><b>DENALI COMMISSION</b>  510 L Street, Suite 410  Anchorage, Alaska 99501  (907) 271-1414 (phone)  (907) 271-1415 (fax)  www.denali.gov</p>		<b>Award Number</b>	01349-06		
		<b>Award Title</b>	Togiak - Twin Hills Intertie		
		<b>Performance Period</b>	February 15, 2011 through December 31, 2019		
<b>Authority</b> 112 Stat 1854	<b>CFDA Number</b> 90.100	<b><u>Recipient Organization &amp; Address</u></b> Alaska Energy Authority 813 W Northern Lights Blvd Alaska Energy Authority  <b>Phone:</b> 907-771-3000 <b>Recipient DUNS #</b> 054072608 <b>TIN #</b> 926001185			
<b>Denali Commission Finance Officer Certification</b>					
<b><u>Cost Share Distribution Table</u></b>					
Accounting Code	New Funding		Prior Period Funding		Total
	Denali Commission	Other Contributors	Denali Commission	Other Contributors	
95670000	\$4,042,220.00		\$145,001.45		\$4,187,221.45
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
AEA - RPSU Program		\$311,000.00		\$0.00	\$311,000.00
AEA Construction Match		\$1,006,680.00		\$0.00	\$1,006,680.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
<b>Total</b>	<b>\$4,042,220.00</b>	<b>\$1,317,680.00</b>	<b>\$145,001.45</b>	<b>\$0.00</b>	<b>\$5,504,901.45</b>
This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission constitutes an obligation of federal funding.					
<b>Signature of Authorized Official - Denali Commission</b>  Electronically Signed		<b>Typed Name and Title</b> Mr. Jay Farmwald Director of Programs		<b>Date</b> 11/20/2017	

## AWARD ATTACHMENTS

Alaska Energy Authority

01349-06

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1. Amendment #6
2. Terms and Conditions
3. Attachment A
4. Budget and Funding Summary

***Financial Assistance Award 1349  
Between the Denali Commission and Alaska Energy Authority  
For Togiak – Twin Hills Intertie  
Amendment 6***

All changes to the award conditions are noted below.

1. Change title of the Award to *Togiak – Twin Hills Intertie*
2. Replace the original Terms and Conditions in their entirety with the attached Terms and Conditions dated 6 November 2017.
3. Increase funding by \$4,042,220.

***Between the Denali Commission and Alaska Energy Authority  
For Togiak – Twin Hills Intertie  
Amendment 6 – Terms and Conditions  
November 6, 2017***

**1. Project Summary**

- a. Scope of Work: Construction of an electric intertie between the communities of Togiak and Twin Hills, Alaska.
- b. Deliverables: Design documents and a completed, functional intertie.
- c. Budget: The Commission is making a total of \$4,187,221 available for the project via this Financial Assistance Award (Award); \$145,001 via the original award, and \$4,042,220 via Amendment 6. \$2,150,000 of the funds provided via this amendment are funds from the USDA High Energy Cost Grant Program transferred directly to the Commission. The Alaska Energy Authority construction match and design funds in the amount of \$1,317,680 are also being made available for the project. The amount being made available by the Denali Commission includes all direct and associated indirect costs. All Commission funding is intended to be used for the scope of work identified in the FAA only. Any funds remaining after the full scope of work has been completed shall be returned to the Denali Commission consistent with 2 CFR 200.319.

- d. Delivery Method: Construction of the intertie will be completed through a competitively bid contract that is consistent with the Commission's Competitive Bid Policy.

Construction Administration services will be provided by CRW Engineering Group, LLC under an amendment to their design contract for the project.

The Denali Commission and AVEC shall review and approve the final design documents and participate in the general contractor selection process.

- e. Performance Period: The Period of Performance for this FAA ends December 31, 2019. In accordance with 2 CFR 200.309 Recipients can only incur obligations or costs against this FAA during the Period of Performance, unless specifically authorized in the Special Provisions (Section 14 of this document). If a project cannot be completed within the approved Period of Performance, an extension request must be made in accordance with the Commission's *Recipient Guidelines and Requirements* (RGR) document dated July 2015, available at [www.denali.gov](http://www.denali.gov).

More detailed information on scope, deliverables, budget, funding, project delivery method and/or management plan, schedule and key milestones are included in Attachment A dated November 6, 2017.

**2. Project Reporting and Commission Site Visits**

Progress reports and a close-out report are required under this FAA. Progress Reports shall be submitted at the frequency stipulated in the Special Provisions. The Closeout Report shall be completed within 90-days of the end of the Period of Performance. All reports must be submitted using the Denali Commission's on-line Project Database System, available at [www.denali.gov/dcpdb](http://www.denali.gov/dcpdb).

Commission staff or agents of the Commission may make visits to the project site and/or home office to monitor progress during and/or after the Period of Performance. The Recipient shall coordinate and make information available as necessary to facilitate any such site visits.

Refer to the *Recipient Guidelines and Requirements* document for further information related to reports and site visits.

### **3. Payments**

Payments under this FAA will be made in accordance with 2 CFR 200.305 by electronic transfer in response to a Standard Form 270 (SF-270) “Request for Advance or Reimbursement”, submitted by the Recipient. At a minimum, all 270’s must include summary cost information on labor, materials, contracts/consultants, and indirect costs. Detailed documentation is required for any single expenditure greater than \$50,000. If Pre-award Costs and/or Advance Payments are authorized under this FAA, the Special Provisions will indicate so. Requests for reimbursements may be made as needed. Refer to the *Recipient Guidelines and Requirements* document for further information about submitting SF-270’s.

### **4. Modifications**

In accordance with 2 CFR 200.308, the Recipient shall report deviations in project scope, budget, delivery method, management plan, schedule, or changed site conditions, and request prior approvals from the Program Manager. The Recipient shall also submit written requests to the Program Manager for the replacement of Key Staff identified in the Special Provisions. Refer to the *Recipient Guidelines and Requirements* document for further information about modifying a Financial Assistance Award.

### **5. Financial Management, Record Keeping, Internal Controls, and Audits**

The Recipient must have financial management and record keeping systems that are consistent with 2 CFR 200.302. If the Recipient is a State organization it must expend and account for FAA funds in accordance with applicable State laws and procedures for expending and accounting for the State’s own funds.

The Recipient must establish and maintain effective internal controls with respect to this FAA that are consistent with 2 CFR 200.303.

In accordance with 2 CFR 200.501, Recipients that expend \$750,000 or more of federal funds in a year shall have a single or program-specific audit conducted for that year.

Refer to the *Recipient Guidelines and Requirements* document for further information about financial management, record keeping, internal controls and audits.

### **6. Direct and Indirect Costs**

All direct costs must be allowable and reasonable. Indirect costs must be allocable based on accepted accounting policies and practices. Indirect costs must be specifically included as a line item or identified with appropriate notes in the approved FAA budget. Refer to 2 CFR 200 Subpart E (Cost Principles) and the *Recipient Guidelines and Requirements* document for further information on direct and indirect costs.

### **7. Sub-Awards and Contracts**

All sub-awards and contracts issued by the Recipient under this FAA must comply with 2 CFR 200.331 and Appendix II to 2 CFR 200. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

## **8. Acknowledgement of Support**

The Recipient shall name the Denali Commission as a financial contributor and project/program partner in all media correspondence related to the work supported by this FAA. If Commission funds are used for construction, the Recipient shall also display a sign at the construction site that acknowledges the Commission's support. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

## **9. Real and Personal Property**

In accordance with 2 CFR 200.311, 313, and 316 the Denali Commission may require the Recipient to execute a security interest or other public notice of record to indicate that real or personal property acquired or improved, in whole or in part, with Federal funds is subject to a Federal interest. Any such requirements under this FAA, including post project reporting in accordance with 2 CFR 200.329, will be stipulated in the Special Provisions.

## **10. Conflict of Interest**

In accordance with 2 CFR 200.112, the Recipient must disclose in writing any potential conflicts of interest to the Commission. In addition, 2 CFR 200.318 requires that Recipients maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award, and administration of contracts. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

## **11. Denali Commission Policies**

Recipients may be required to comply with certain published Denali Commission policies which can be found in the *Recipient Guidelines and Requirements* document. Applicable policies are referenced in the Special Provisions of this FAA, and specific requirements/deliverables (if any) are stipulated in Appendix A.

## **12. Laws and Regulations**

Recipients are required to comply with all applicable Federal laws and regulations. General categories of potentially applicable laws and regulations are summarized below. Refer to the *Recipient Guidelines and Requirements* document for further information on specific laws and regulations that may apply.

- a. Debarment and Suspension
- b. Whistle-blower Protection
- c. Non-Discrimination
- d. Lobbying and Propaganda
- e. Environmental
- f. Drug-Free Workplace
- g. Travel
- h. Human Rights
- i. Animal Welfare
- j. Executive Compensation

### 13. Other Provisions

- a. The United States expressly disclaims any and all responsibility or liability to the Recipient or sub-recipients for the actions of the Recipient or sub-recipients resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this FAA, including sub-awards, contracts, or sub-contracts issued in connection with this FAA.
- b. To the maximum extent practicable, considering applicable laws, the Recipient shall accomplish the project contemplated by this FAA using local Alaska firms and labor.
- c. All terms and conditions contained in this FAA apply to any sub-recipient under this FAA.
- d. Failure to comply with the provisions of this FAA or maintain satisfactory performance may result in additional FAA conditions pursuant to 2 CFR 207. This includes but is not limited to: temporarily withholding of payments pending the correction of the deficiency; disallowance of project costs; wholly or partially suspending or terminating the FAA. In addition, failure to comply with the provisions of this FAA may also have a negative impact on the Recipient's eligibility for future Federal awards.

### 14. Special Provisions

Progress Reports: Shall be submitted on a quarterly basis in accordance with the Commission's *Recipient Guideline and Requirements*.

Pre-award Costs: N/A

Key Staff: Rebecca Garrett, Salina Beardon

Federal Property Interests and Reporting Requirements: Apply per 2 CFR 200.329. Reporting will be biennially, to begin at the end of the performance period.

Bonds and Insurance: The contracts awarded by AEA for construction of the facilities and improvements will include payment and performance bonds. The Denali Commission shall be named as an Additional Insured on the Liability Insurance Policy of the General Contractor(s) retained by AEA to construction the facilities and improvements.

The Denali Commission shall be named as an Additional Insured on the Liability Insurance Policies of AEA and their professional services consultant/contractor.

Cooperative Agreement: The Recipient agrees to cooperate and collaborate with the Denali Commission during the project. The Commission will participate in those specific activities stipulated in Attachment A.

**15. Program Manager, Financial Manager & Other Contact Information**

<b>Denali Commission</b>	<b>Alaska Energy Authority</b>
Tom Wolf Program Manager 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-5232 Fax: 907-271-1415 E-mail: twolf@denali.gov	Rebecca Garrett Project Manager 813 W. Northern Lights Blvd. Anchorage, AK 99503 Phone: 907-771-3042 Fax: 907-771-3044 Email: rgarrett@aidea.org
Janet Davis Grants Management Officer 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3036 Fax: 907-271-1415 E-mail: jdavis@denali.gov	Amy Adler Financial Manager 813 W. Northern Lights Blvd. Anchorage, AK 99503 Phone: 907-771-3013 Fax: 907- 771-3044 Email: aadler@aidea.org



***Financial Assistance Award 1349  
Between the Denali Commission and Alaska Energy Authority  
For Togiak - Twin Hills Intertie – Twin Hills, Alaska  
Amendment 6 – Attachment A  
6 November 2017***

**Scope of Work**

*Background:* In August, 2011 the Twin Hills Village Council passed a resolution supporting the development of a Concept Design Report (CDR) to evaluate the feasibility and cost for the construction of an electric intertie between Togiak and Twin Hills. The CDR was completed in December 2013 and provided a recommended intertie route and cost estimate. The Twin Hills Village Council accepted the CDR in January 2014. A statewide intertie study funded by the Denali Commission and completed by AVEC in August 2014 found it economically beneficial to intertie Togiak and Twin Hills.

Final design of the intertie, standby powerplant in Twin Hills, and upgrades to the Twin Hills distribution system began in the fall of 2014 and are scheduled to be complete by the end of 2017. AEA funded the final design.

The project is part of an effort to reduce operating costs and increase efficiency by connecting communities together via an electrical intertie. Twin Hills and AVEC executed a MOU with AVEC in 2015, under which AVEC will assume management of the electrical power system after the upgrades have been completed. AEA has been coordinating with AVEC on the design.

*Tasks:* Complete and integrate a new 4-mile electric intertie between the communities of Togiak and Twin Hills, Alaska. The scope includes all required construction permits and environmental clearances to construct the intertie, convert the Twin Hills power plant to a standby module, and upgrade portion of the distribution system. The intertie and the standby power plant in Twin Hills will be designed and built in accordance with AVEC standards.

AEA shall supply NEPA documentation consistent with the Denali Commission policies and procedures published in 45 CFR Part 900 on October 1, 2016. The documentation shall cover the intertie project and all other related construction supported via this Financial Assistance Award. No construction activities may commence until the NEPA process is complete.

**Deliverables**

- Final design documents
- Intertie between Togiak and Twin Hills
- Modified Togiak power plant
- Standby power plant in Twin Hills
- Final report

### **Budget**

See attached Budget and Funding Summary dated November 6, 2017.

### **Delivery Method**

AEA will provide Project Management with in-house staff. AEA will coordinate with AVEC during construction of the intertie and will facilitate an orderly transition of operational responsibilities to AVEC following construction. AEA will subcontract the construction work. The general contractor will be selected via a competitive Request For Proposals (RFP) process that includes both price and qualifications. Construction Administration services will be provided by CRW Engineering Group, LLC under an amendment to their existing design contract for the project.

The Denali Commission shall review and approve the final design documents and participate in the general contractor selection process.

### **Schedule**

Key project milestones are summarized below.

Complete Design and Permitting: December 2017

Selection General Contractor: February 2018

Construction Complete: September 2019

Project Close-out: December 2019

BUDGET				
Line	Item	Provided By	Amount	Basis/Notes
1	<b>Planning and Design</b>			
2	2013 Conceptual Design Report	Gray Stassel	\$145,001	Final actual costs; indirect admin. costs were paid via a separate Award
3	Final Design Phase Project Management	AEA	\$10,000	100 hours @ \$100/hour
4	Final Design Documents and Permits	CRW	\$300,000	Existing CRW Engineering design contract
5	<b>Subtotal</b>		<b>\$455,001</b>	
6	<b>Construction</b>			
7	Construction Phase Project Management	AEA	\$100,000	1,000 hours @ \$100/hour
8	PM Travel	AEA	\$5,000	Assume 2 trips during construction
9	<b>Subtotal</b>		<b>\$105,000</b>	
10	Intertie Between Twin Hill and Togiak	Contractor	\$2,380,000	CRW Estimate Dated September 2017, one construction contract
11	Twin Hills Backup Power Module	Contractor	\$563,000	
12	Twin Hills Distribution Upgrade	Contractor	\$1,164,000	
13	<b>Subtotal</b>		<b>\$4,107,000</b>	
14	Construction Contingency	Contractor	\$410,700	CRW Estimate Dated September 2017; 10% of line 13
15	Construction Administration	CRW	\$410,700	CRW Estimate Dated September 2017; 10% of line 13
16	<b>Total Construction</b>		<b>\$5,033,400</b>	
17	<b>AEA Indirect Costs <sup>a</sup></b>		<b>\$16,500</b>	10% of lines 3, 7, 8; 10% of first \$25,000 of lines 13 + 14, and 4 + 15
18	<b>Grand Total</b>		<b>\$5,504,901</b>	

**Additional Notes**

a. AEA does not have a federally negotiated indirect rate; use the 10% de-minimus rate in 2 CFR 200.414. The 10% rate will be applied to eligible reimbursable direct costs submitted by AEA to the Denali Commission pursuant to this FAA.

FUNDING				
Line	Source	Award or Reference	Amount	Notes
19	Denali Commission - Design	Original Award	\$145,001	
20	Denali Commission - Construction - RUS Funds	This Action	\$2,150,000	FY2017 HECG funds; 43% of line 16
21	Denali Commission - Construction - Base Funds	This Action	\$1,876,720	37% of line 16
22	Denali Commission - Indirect Costs - Base Funds	This Action	\$15,500	10% of lines 7, 8; 10% of first \$25,000 of lines 13 + 14, and line 15
23	<b>Subtotal</b>		<b>\$4,187,221</b>	
24	State of Alaska/AEA	RPSU Program	\$311,000	Final Design Phase direct, subcontract and indirect costs
25	State of Alaska/AEA Construction Match	This Action	\$1,006,680	20% of Line 16
26	<b>Subtotal</b>		<b>\$1,317,680</b>	
27	<b>Total Funding As Of This Action</b>		<b>\$5,504,901</b>	